

SENATE BILL NO. 84

BY SENATOR B. GAUTREAUX

1 AN ACT

2 To amend and reenact R.S. 11:1903(C)(2), (D), and (E), relative to the Parochial Employees'
3 Retirement System of Louisiana; to provide with respect to continuing liability of a
4 participating employer which terminates its agreement for coverage of employees;
5 to provide relative to interest rates on delinquent amounts owed to the system; to
6 provide for an effective date; and to provide for related matters.

7 Notice of intention to introduce this Act has been published.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 11:1903(C)(2), (D), and (E) are hereby amended and reenacted to
10 read as follows:

11 §1903. Admission of taxing districts; district indigent defender programs; soil and
12 water conservation districts

13 * * *

14 C.(1) * * *

15 (2) Every political subdivision or instrumentality required to make payments
16 under Paragraph (1) of this Subsection ~~as is~~ **is** authorized, in consideration of the
17 employee's retention in, or entry upon, employment after enactment of this Chapter,
18 to impose upon its employees, as to services which are covered by an approved plan,
19 a contribution with respect to earnings ~~equal to such amount~~ as may be provided in
20 Parts III and IV of this Chapter, and to deduct the amount of such contribution from
21 the earnings as and when paid. Contributions so collected shall be paid into the
22 contribution fund in partial discharge of the liability of such political subdivision or
23 instrumentality under Paragraph (1) of this Subsection. Failure to deduct such

1 contribution shall not relieve the employee or employer of liability therefor.

2 * * *

3 D. Delinquent payments due under Paragraph (1) of Subsection C of this
4 Section, may, with interest at the system's actuarial valuation rate of six percent
5 ~~per annum~~ **compounded annually**, be recovered by action in a court of competent
6 jurisdiction against the district subdivision or instrumentality liable therefor or may,
7 upon due certification of delinquency and at the request of the board of trustees, be
8 deducted from any other ~~moneys~~ **monies** payable to such district by any department
9 or agency of the state.

10 E. (1) If any plan entered into under this Section is terminated, the taxing
11 district, branch, or section of a parish which terminates its plan may not again
12 participate in the system pursuant to this Section, unless approved by the board of
13 trustees ~~and the Joint Legislative Retirement Committee~~.

14 (2) Notwithstanding any other provision of law, if an employer
15 terminates its agreement for coverage of its employees, the employer shall remit
16 to the system that portion of the unfunded actuarial accrued liability, if any,
17 which is attributable to the employer's participation in the system. The amount
18 required to be remitted pursuant to this Paragraph shall be determined as of
19 the December thirty-first immediately prior to the date of termination. Such
20 determination shall be made using the entry age normal actuarial funding
21 method.

22 (3) The amount due shall be determined by the actuary employed by the
23 system and shall either be paid in a lump sum or amortized over ten years in
24 equal monthly payments with interest at the system's actuarial valuation rate
25 in the same manner as regular payroll payments to the system, at the option of
26 the employer.

27 (4) Should the employer fail to make payment timely, the amount due
28 shall be collected in the same manner as authorized by Subsection D of this
29 Section and R.S. 11:2014.

30 * * *

1 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2010, or on the day following such approval by the legislature, whichever is later; and shall
4 be applicable to any employer which terminates participation with the retirement system on
5 or after July 1, 2010.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____